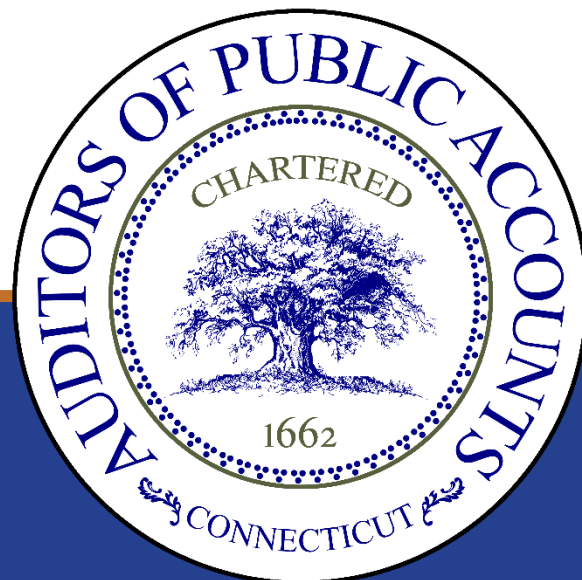


AUDITORS' REPORT

AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS

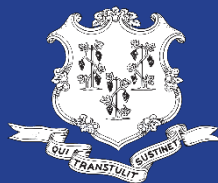
State of Connecticut Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2024



STATE OF CONNECTICUT
Auditors of Public Accounts

JOHN C. GERAGOSIAN
State Auditor



CRAIG A. MINER
State Auditor

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STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN

STATE CAPITOL
210 CAPITOL AVENUE
HARTFORD, CONNECTICUT 06106-1559

CRAIG A. MINER

Governor Ned Lamont
Members of the General Assembly
State Comptroller Sean Scanlon:

LETTER OF TRANSMITTAL

We have audited the financial statements and certain other information of the Comptroller of the State of Connecticut as they pertain to the central accounting of state financial operations, on a budgetary basis of accounting, for the fiscal year ended June 30, 2024. The auditors' report on the State Comptroller's civil list financial statements, the audited civil list financial statements themselves, and the related auditors' report on compliance and internal control over civil list financial reporting are included in a separate report entitled [Budgetary/Statutory \(GAAP Based Budgeting\) Annual Report](#) for the fiscal year ended June 30, 2024, issued December 31, 2024.

We have also audited the financial statements and certain other information of the Comptroller of the State of Connecticut as they pertain to the State of Connecticut's financial position and results of operations on the basis of generally accepted accounting principles (GAAP). The auditors' report on the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, the respective budgetary comparison for the General Fund and the Transportation Fund, the respective changes in financial position and cash flows, where applicable, and the related notes to the financial statements of the State of Connecticut, which collectively comprise the state's basic financial statements are included in a separate report entitled [Annual Comprehensive Financial Report](#) (known as the state's ACFR) for the fiscal year ended June 30, 2024, issued March 27, 2025.

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We considered internal control over financial reporting as well as compliance with laws, regulations and other requirements that could have a direct and material effect on the financial statement amounts, in accordance with these standards. We are issuing our *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements* dated March 27, 2025. Also, within this report is the State Auditors' Findings and Recommendations, which detail the findings and recommendations for corrective action.

We wish to express our appreciation for the cooperation and courtesies shown to our representatives by the personnel of the Office of the State Comptroller and state agencies during the course of our examination.



Tyler Flanagan
Principal Auditor

Approved:



John C. Geragosian
State Auditor



Craig A Miner
State Auditor

March 27, 2025
State Capitol
Hartford, Connecticut

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Governor Ned Lamont
Members of the General Assembly
State Comptroller Sean Scanlon:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Connecticut as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the state's basic financial statements, and have issued our report thereon dated March 27, 2025.

Our report includes a reference to other auditors who audited the financial statements of certain funds and discretely presented component units of the state, as described in our report on the State of Connecticut's financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the University of Connecticut, the University of Connecticut Health Center, the Connecticut State University System, the Connecticut State Community College, and the University of Connecticut Foundation were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State of Connecticut's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Connecticut's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying State Auditors' Findings and Recommendations, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying State Auditors' Findings and Recommendations as Finding Numbers 2024-001, 2024-002, and 2024-004 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying State Auditors' Findings and Recommendations as Finding Number 2024-003 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Connecticut's financial statements as presented in the *Annual Comprehensive Financial Report* are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we have reported to management in the accompanying State Auditors' Findings and Recommendations as Finding Number 2024-005.

State's Response to Findings

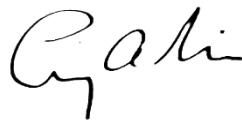
Government Auditing Standards require the auditor to perform limited procedures on the state's response to the findings identified in our audit and described in the accompanying State Auditors' Findings and Recommendations. The state's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the State of Connecticut's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Connecticut's internal control and compliance. This report is intended solely for the information and use of the Governor, the State Comptroller, and the Appropriations Committee of the General Assembly and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



John C. Geragosian
State Auditor



Craig A. Miner
State Auditor

March 27, 2025
State Capitol
Hartford, Connecticut

STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our review of statewide financial reporting identified three material weaknesses and one significant deficiency in internal control as defined by auditing standards generally accepted in the United States of America. Although finding 2024-005 is not deemed a significant deficiency or material weakness per those standards, it is an area that requires corrective action. These areas are detailed in the following pages:

Finding 2024-001

Office of the State Comptroller - Inadequate Financial Reporting Process and Journal Entry Errors

Criteria

Sound internal controls require that the Office of the State Comptroller (OSC) has procedures to confirm the accuracy of journal entries and financial statements.

OSC should not retroactively adjust finalized account balances, except for corrections of material errors or changes in accounting principles that require restatement.

Condition

Several funds contained material errors that required multiple corrective journal entries. The errors included incorrect beginning balances and journal entry descriptions. They also included journal entries posted to the wrong ledger, fiscal year, and accounts. OSC subsequently corrected these errors because of our audit.

We identified the following material errors for the General Fund:

- OSC excluded the Budget Reserve Fund from the beginning balances, resulting in an erroneous \$3.1 billion journal entry to reconcile the fund balance.
- OSC used outdated Department of Revenue Services reported tax receivable amounts to record a journal entry as well as to present taxes receivable in Note 5. These errors resulted in OSC understating taxes receivable and overstating deferred inflows by \$1.9 billion.

- OSC erroneously recorded a fiscal year 2025 reversing entry in fiscal year 2024, resulting in a \$357 million overstatement to expenditures.
- Nine out of eighty-five year-end journal entries required separate adjustments of at least \$100 million.
- OSC posted 56 journal entries to the prior year ledger five months after the ledger close-out date. This resulted in a \$25.6 million reversing journal entry which understated the wage payable account.

We also identified the following material errors:

- The Employment Security Fund required a \$687.5 million corrective journal entry.
- OSC incorrectly recorded contractual obligation amounts reported by state agencies, resulting in a \$2.6 billion understatement of contractual commitments.

In addition to the material errors identified above, we found numerous other errors that required correction and were material individually or in the aggregate.

Context

OSC reported General Fund net taxes receivable of \$3.8 billion, wage payables of \$173 million, expenditures of \$23.6 billion, and an ending fund balance of \$4.03 billion.

OSC reported \$12.3 billion in contractual commitments.

The Employment Security Fund ended the fiscal year with a \$313 million fund balance.

Effect

When OSC fails to post journal entries properly, the risk of inaccurate financial statements increases. Erroneous journal entries profoundly affect the accuracy and reliability of financial statements. In addition, reconciling these errors consumes significant time and delays the issuance of the Annual Comprehensive Financial Report.

Cause

OSC lacked a sufficient internal review process to identify and correct material errors. These misstatements were the result of inexperienced accounting staff, insufficient written procedures, and ineffective supervisory review.

Prior Audit Finding

This finding has been previously reported in the prior year audit report covering the fiscal year 2023.

Recommendation

The Office of the State Comptroller should improve internal controls to ensure that journal entries are accurate and complete. The Office

of the State Comptroller should not change the audited year-end account balances in subsequent years unless the corrections are for material errors or changes in accounting principles that require restatement.

Agency Response

"The Office of the State Comptroller ("OSC") continues to provide training to its accounting staff within the Budget and Financial Analysis Division ("BFA") on the preparation of financial statements, such as the State's Annual Comprehensive Financial Report ("ACFR"). These trainings include posting journal entries, recording of activities, and relevant government accounting standards for the recognition of activity and recording of balances. In addition to the controls in place, OSC is implementing quality control checklists for its financial statement preparers and reviewers to ensure that errors and/or omissions are identified and corrected during the review process. Furthermore, BFA will continue to expand its policies and procedures to address areas where additional guidance for staff, both within BFA and across that State, is needed."

Finding 2024-002

Inadequate Financial Reporting Process – GAAP Forms

Criteria

The Office of the State Comptroller (OSC) has a long-established procedure requiring state agencies to prepare and submit adjustment forms to report various account balances, accruals, liabilities, contingencies, and other information needed to report the state's financial position on a GAAP basis to the State Comptroller. The Office of the State Comptroller requires these forms to be submitted with accurate information by specific deadlines. OSC provides instructions on the adjustment forms requiring agencies to compare the current year's amounts to the prior year and explain fluctuations greater than 5% and \$5 million.

Condition

In our prior audits, we reported that various state agencies did not submit accurate GAAP adjustment forms. Our review of agency-prepared forms for the 2024 fiscal year again found the following errors and omissions in the amounts reported. The material errors found and corrected were as follows:

- The Department of Revenue Services (DRS) understated tax receivables for personal income tax and sales and use tax by \$888.5 million and \$1.09 billion, respectively. Additionally, DRS understated personal income tax receivables estimated to be uncollectible by \$60.5 million.

- The Department of Administrative Services overstated the school construction program’s obligations by \$376.1 million and understated construction-in-progress by \$7.7 million.
- The Department of Developmental Services overstated its contractual obligations by \$16.2 million.
- The Department of Housing overstated its grant receivables by \$18.3 million.
- The Department of Transportation understated construction-in-progress by \$52 million.
- The Department of Social Services overstated its liability amounts reimbursable under the federal grant by \$17.3 million.

Context

DRS reported tax receivables of \$1.22 billion for personal income tax and \$1.18 billion for sales and use tax. DRS reported \$300.8 million in uncollectible personal income tax receivables.

School construction commitments and contingencies totaled \$4.16 billion.

OSC received GAAP forms from approximately 28 state agencies that included \$7.37 billion in reported contractual obligations.

State agencies' capital assets totaled approximately \$38 billion as of June 30, 2024.

DSS reported \$564.9 million in amounts reimbursable under federal grants.

Effect

Deficiencies in the state’s internal controls over financial reporting could adversely affect its ability to provide accurate financial information.

Cause

The underlying reasons for the errors include new fiscal staff who were unfamiliar with the reporting requirements, ineffective supervisory review, and failure to follow OSC instructions for explaining annual fluctuations in reported amounts.

Prior Audit Finding

Errors related to state agency GAAP Forms have been previously reported in the last ten audit reports covering the fiscal years 2013 through 2023.

Recommendation

The Budget and Financial Analysis Division of the Office of the State Comptroller should improve its efforts to train agency personnel in the preparation of accurate GAAP adjustments.

Agency Response

"The Office of the State Comptroller ("OSC") will continue to update, expand, and develop instructions and training materials related to the completion of the annual GAAP forms. Although state agencies are ultimately responsible for ensuring their staff receive sufficient training, OSC will ensure that it provides guidance where needed to mitigate future reporting errors. The Budget and Financial Analysis Division ("BFA") will also continue to work with those agencies identified as submitting incorrect information and provide additional support to ensure that those errors do not occur going forward. In addition, steps will be taken to ensure that when updates are made to GAAP forms by agencies after submission, OSC is notified of the changes and updated copies of those GAAP forms are submitted so that updates to the State's financial statements can be made."

Finding 2024-003

Failure to Promptly Complete the Annual Comprehensive Financial Report (ACFR)

Criteria

Section 2200.104 of the Government Accounting Standards Board - Codification of Governmental Accounting and Financial Reporting Standards states that the Annual Comprehensive Financial Report (ACFR) should be prepared and published promptly after the close of the fiscal year and should contain the independent auditors' report. Timely and properly presented financial reports are essential to provide necessary governmental financial information to managers, legislative officials, creditors, financial analysts, the public, and other interested parties.

With respect to its debt issuance, the state has a continuing disclosure obligation to provide audited financial statements to comply with certain Securities and Exchange Commission (SEC) regulations. The Office of the State Treasurer must include the audited ACFR in the state's annual information statement by the end of each February.

Condition

The Office of the State Comptroller did not promptly prepare the ACFR. The state filed its annual information statement with the Municipal Securities Rulemaking Board on February 26, 2025, without the audited ACFR. On March 3, 2025, the Office of the State Treasurer published an event notice informing investors and the public that the ACFR was not included in the annual information statement.

Context

The state's outstanding General Obligation Bonds totaled \$16.9 billion as of June 30, 2024.

Effect	The Office of the State Treasurer will have to disclose this late filing to investors and the public for the next five years.
Cause	OSC staff lacks sufficient training and experience in financial statement presentation. The Connecticut State University System and Connecticut State Community College were very late providing acceptable draft financial statements to OSC, which delayed its ability to complete some statements and notes.
Prior Audit Finding	This finding has previously been reported in the prior year audit report covering the fiscal year 2023.
Recommendation	<p>The Office of the State Comptroller should strengthen internal controls over the financial reporting process to promptly complete the Annual Comprehensive Financial Report.</p> <p>The Connecticut State Community College and Universities should ensure that its financial statements are promptly completed and provided to the Office of the State Comptroller.</p>
Agency Response	<p>“The Budget and Financial Analysis Division (“BFA”) continues to provide relevant training and guidance to its staff regarding the preparation of financial statements in its effort to prepare the State’s Annual Comprehensive Financial Report (“ACFR”) in a timely manner. Additionally, BFA continues to provide support to financial staff at various State agencies to ensure the timely submission of financial information needed to complete the ACFR. BFA will also be working closely with the Connecticut State Colleges and Universities during the State’s reporting process to ensure that required reports and financial statements are available in the timeframe necessary for the timely completion of the State’s ACFR. As noted by the auditors, the delay in receiving this information hindered BFA’s ability to complete some of the statements and notes necessary to finalize the State’s ACFR by the required deadline.”</p>

Finding 2024-004

Inadequate Financial Reporting Process – Connecticut State College and Universities

Background The Connecticut State Colleges and Universities (CSCU) system office contracts with an audit firm to complete its annual financial statement audits. OSC utilizes the CSCU audited financial statements in combination with other financial information to prepare the ACFR.

Criteria	Sound internal controls require individuals who understand and can apply technical accounting concepts to the financial reporting of an entity.
Condition	CSCU relied on its controller to address complex changes in accounting but left the position vacant for an extended period during the annual financial closing process. As a result, the Connecticut State University System and Connecticut State Community College draft financial statements materially misstated state appropriations and fringe benefit expenses by \$143.7 million and \$66.3 million, respectively. CSCU corrected these errors at its financial auditor’s recommendation.
Context	<p>The Connecticut State University System and Connecticut State Community College reported state appropriations of \$209.9 million and \$250.1 million, respectively.</p> <p>The Connecticut State University System and Connecticut State Community College reported fringe benefit expenses of \$100.8 million and \$76.6 million, respectively.</p>
Effect	Without a controller, inexperienced fiscal staff made numerous material errors that required audit adjustments and delayed the completion of the fiscal year 2024 financial statement audits for the Connecticut State University System and Connecticut State Community College. The late completion of financial statement audits for the Connecticut State University System and Connecticut State Community College contributed to the ACFR delay.
Cause	Agency management reported that the confluence of the community college consolidation and a one-time change in the allocation of employee retirement benefit expenses caused the misstatements and delays.
Prior Audit Finding	This finding has not been previously reported.
Recommendation	The Connecticut State Colleges and Universities should ensure the controller position remains filled and identify additional individuals to support the controller, to prevent reliance on a single position for key internal control functions.
CSCU Response	“We agree with this finding. A Controller has been hired and we are planning to add personnel to the Controller’s team.”
OSC Response	“Please see the Office of the State Comptroller’s response to the prior recommendation, which also address this recommendation.”

Finding 2024-005

Lack of Timely Audit Report - State Education Resource Center

Criteria

Section 1-123(a) of the General Statutes requires the State Education Resource Center (SERC), a quasi-public agency and a component unit of the State of Connecticut, to submit an annual report that includes a complete set of financial statements to the Governor and the Auditors of Public Accounts.

Section 10-357d of the General Statutes requires SERC to annually submit a financial audit to the State Board of Education and the General Assembly.

Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200.501 requires a non-federal entity that expends \$750,000 or more in federal awards during its fiscal year to have a single or program-specific audit conducted for that year. Title 2 CFR Part 200.512 requires the non-federal entity to submit its audit report and the data collection form within the earlier of 30 calendar days after receipt of the auditor's report, or nine months after the end of the audit period.

Sound internal controls over information systems require the ability to promptly obtain accurate data for financial reporting.

Condition

SERC did not issue its fiscal year 2022 audited financial statements until February 18, 2025. As of March 26, 2025, SERC had not submitted its fiscal year 2023 and 2024 audited financial statements. In addition, SERC did not promptly submit the federal single audit reports and data collection forms for fiscal years 2022, 2023, and 2024.

Context

SERC's trial balance reported revenues totaling approximately \$18 million in fiscal year 2024, of which \$17 million was in the form of pass-through federal grants from the State Department of Education.

SERC's audited federal grant expenditures totaled \$20.5 million in fiscal year 2022. Its trial balance reports show more than \$10 million in federal grant expenditures in fiscal years 2023 and 2024.

Effect

Without timely audited financial statements, it is impossible to fully assess SERC's financial performance. In addition, SERC could not file its federal single audit report and data collection form by the required due date. Without proper administrative and fiscal controls, there is an increased risk of fraud.

Cause

SERC experienced staffing shortages and related difficulties. In fiscal year 2022, SERC's accounting processes and internal controls over financial reporting were not adequate to generate complete and accurate financial information. Numerous adjustments to the trial balances and grant schedules delayed the completion of the audited financial statements, single audit report, and data collection form. This caused delays in the following years' financial closing process.

Prior Audit Finding

This finding has not been previously reported.

Recommendation

The State Education Resource Center should strengthen internal controls to ensure that it promptly prepares complete and accurate financial statements. The center should also submit its federal single audit report and data collection form in accordance with federal requirements.

SERC Response

"We agree with this finding. In May 2024, SERC hired a new Chief Financial Officer whose focus is to ensure all remaining audits are completed and submitted to the state no later than June 30, 2025 and accounting processes and internal controls over financial reporting are adequate to generate complete and accurate financial information."

OSC Response

"Although the State Education Resource Center ("SERC") is currently considered immaterial and not included in the State's ACFR, it continues to grow and will likely be material enough to include in the coming years. Completed financial statements from SERC will be a necessity for OSC to meet its reporting deadlines when this occurs."

STATUS OF PRIOR AUDIT RECOMMENDATIONS

Our [prior](#) Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters for the Fiscal Year Ended June 30, 2023 State of Connecticut Annual Comprehensive Financial Report contained three recommendations. One has been implemented or otherwise resolved, and two have been repeated or restated with modifications during the current audit.

Prior Recommendation	Current Status
<p>The Budget and Financial Analysis Division of the Office of the State Comptroller should improve its efforts to train agency personnel in the preparation of accurate GAAP adjustments and improve internal controls to ensure accurate and complete financial statements.</p>	<p>REPEATED Modified Form</p> <p>Recommendations 001 & 002</p>
<p>The Office of the State Comptroller should strengthen internal controls over the financial reporting process to promptly complete the Annual Comprehensive Financial Report.</p>	<p>REPEATED</p> <p>Recommendation 003</p>
<p>The Office of the State Comptroller should update its internal controls over lease accounting to ensure accurate reporting and compliance with the Government Accounting Standards Board statements on leases and subscription-based information technology arrangements.</p>	<p>RESOLVED</p>

OTHER INFORMATION

Implementation of GAAP Based Budgeting

The Budgetary/Statutory Basis (GAAP Based Budgeting) Annual Report for the fiscal year ended June 30, 2024 reflects the eleventh year of GAAP based budgeting. The move to GAAP based budgeting resulted from the passage of Public Act 11-48, the biennial budget plan in Public Act 13-184 (as adjusted by Public Acts 13-247 and 14-47), and the biennial budget plan in Public Act 15-244. GAAP based budgeting was intended to narrow the difference between the accounting for the state budget and the Annual Comprehensive Financial Report (ACFR), which would allow for the ACFR to be the state's single accounting report.

Passed as part of the *Plan for Conversion to GAAP-Based Budgeting Developed in Accordance With Governor Dannel P. Malloy's Executive Order No. 1*, the details of Public Act 11-48 and the history of efforts leading to its passage were described in our *Auditors' Report Office of the State Comptroller* for the fiscal years ended June 30, 2011 and June 30, 2012. The results of the first year of GAAP based budgeting and issues with its implementation were described in our *Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters* for the fiscal year ended June 30, 2014.

As described in previous reports, the statutory basis of accounting adopted by the Office of the State Comptroller is not GAAP reporting as recognized by the Government Accounting Standards Board. It is not on a GAAP basis in that it does not carry forward accruals from each fiscal period to the next on the Core-CT accounting system. Instead, it continues to utilize the modified cash basis of accounting as a compromise to avoid significant operational changes in Core-CT processes. The statutory basis of accounting used for budgetary financial reporting and the modified accrual basis used for the ACFR reporting are different and, as a result, often produce varying financial results, primarily because of differences in the recognition of revenues and expenditures.

To provide GAAP reporting for the ACFR that is compliant with the modified accrual basis of accounting required by the Government Accounting Standards Board (GASB), the manual entry of miscellaneous accounting information not available on the Core-CT system is still required. To properly monitor budgetary compliance on a modified accrual basis, the Core-CT system would need to provide periodic information on accrued revenues and expenditures without a "close" of the system.